FAMILY ECONOMICS REVIEW

1993
Vol. 6 No. 4

United States
Department of
Agriculture

Agricultural
Research
Service

FAMILY ECONOMICS REVIEW

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Family Economics Review is written and published each quarter by the Family Economics Research Group, Agricultural Research Service, U.S. Department of Agriculture, Washington, D.C.

The Secretary of Agriculture has determined that publication of this periodical is necessary in the transaction of the public business required by law of the Department.

Family Economics Review is indexed in the following databases: AGRICOLA, Ageline, Economic Literature Index, ERIC, Family Resources, PAIS, and Sociological Abstracts.

Family Economics Review is for sale by the Superintendent of Documents. Subscription price is $7.50 per year ($9.40 for foreign addresses). Send subscription orders and change of address to Superintendent of Documents, P.O. Box 371954, Pittsburgh, PA 15250-7954. (See subscription form on p. 36.)

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Loans Between Baby-Boomer Householders and People in Other Households

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When families need financial assistance, they may turn to people in other households. The 1987-88 National Survey of Families and Households was used to examine select socioeconomic characteristics of baby-boomer household heads who exchanged loans of $200 or more over a 5-year period with people in other households. Median loans are reported. A higher percentage of lenders and recipients had at least 1 year of college, three or more people in the household, an income above $50,000, and were homeowners. A higher percentage of lenders were male, whereas a higher percentage of recipients were female. Results are beneficial to professionals interested in exchange theory, the degree of financial interdependence between households, and the characteristics of baby boomers involved in this type of financial exchange.

Most U.S. families can be described as relatively autonomous units. According to Saluter (*10*), 96 percent of the 113 million currently married adults in the United States maintain their own home. Even among the 4.7 million young married adults (20 to 24 years old), the percentage that live independently is high (88 percent). Although U.S. families tend to be self-reliant, they are sometimes involved in informal financial exchanges with individuals in other households. These exchanges occur for different reasons; as a result there are different expectations for repayments (*4*). The amount of available resources, together with demand on these resources, may cause one household to depend on another for financial support. Divorced, older parent, and young-adult households may be especially vulnerable (*7*). Establishing a household, paying for a college education, or dealing with the consequences of a high debt load may be other reasons families are involved in interhousehold financial exchanges.

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Previous Research

Families use different types of informal exchanges to satisfy demands placed on their household or to assist others. Williams (*12*) found that the type and frequency of interhousehold exchanges varied for Mexican-American and Anglo families by income and ethnic group. Hoyert (*6*) determined that some families were more likely to receive or provide assistance with household tasks, whereas others were more likely to receive or give financial assistance.

A Bureau of the Census study indicated that those who provided financial assistance to people in other households were more likely to be separated or divorced than married or single. Men were more likely than women to provide financial assistance. Also, the life-cycle status of both the provider and recipient determined whether financial assistance was provided or received (*7*).

Other studies have focused on combined involuntary and voluntary support payments to individuals in other households (*7*), the provision and receipt of household goods and services by ethnicity and income levels (*12*), and household and financial assistance from parents to children (*6*). Still others have highlighted the influence of family background and the life cycle on interhousehold transfers (*9*), and the influence of racial differences on intergenerational financial flows between parents and their children (students versus nonstudents) (*5*).

Eggebeen and Hogan (*3*) determined that among people age 19 and older, those more likely to give to their parents were Mexican and male; had more education, more interaction with their parents, more living siblings, and a parent whose health status was poor; and provided coresidence to parents. Those below the poverty level were less likely than those above the poverty level to give money to their parents. Findings of this study also indicated that there was little reciprocity in intergenerational exchanges.

In a different study, Eggebeen (*2*) reported that giving advice followed by giving money and receiving advice were the most typical forms of exchange for older adults (age 55 or more). Older adults rarely received money from their adult children, and fewer elderly Black than elderly White parents gave money, household assistance, or advice to their children.

Current Research

The research reported in this article provides additional insight on interhousehold exchanges. Unlike other studies, this study examines the characteristics of individuals born between 1946 and 1964, sometimes referred to as baby boomers, who lent $200 or more over a 5-year period to, or who received loans of $200 or more from, relatives and nonrelatives in other households.

The baby-boom generation is currently in a life-cycle stage that places many demands on its members' resources. Some members are establishing households, some have child-care needs, others may be repaying college loans, some are paying or saving for their children's education, and some are helping others financially. In 1990, total expenditures of boomers (those 26 to 44 years old) for goods and services were greater, on average, than total expenditures by adults not in this age range (*1*).

The baby boomers have been described as members of the Sandwich Generation—a group that may need to provide assistance to children or aging parents and make financial plans for retirement simultaneously (*8*). Questions addressed are: (1) At this stage of the life cycle, to what degree are baby boomers giving loans to and receiving loans from people in other households? (2) Who are the givers and who are the recipients of these interhousehold loans? (3) To whom and from whom are these interhousehold loans made? (4) For what specific purposes, if any, are loans made and received?

Source of Data and Sample

Data for this study are from the 1987-88 National Survey of Families and Households (NSFH).[2] The NSFH collects data on a range of American family life issues, including couple and parent-child interactions, economic and psychological well-being, family attitudes, and adult family transitions (*11*). The NSFH is a national probability sample of 13,017 respondents (19 years old and older). This includes an oversampling of minority, single-parent, stepparent, recently married couple, and cohabiting-couple households. In each household, one adult was randomly selected as the primary respondent. For this study, only respondents who were householders were selected for analysis. Householders were determined by two questions: (1) "Is R [respondent] the only adult, or is R's [respondent's] spouse the only other adult age 19 or over in the household?" and (2) "In whose name is this home owned or rented?" There were 11,858 householders.

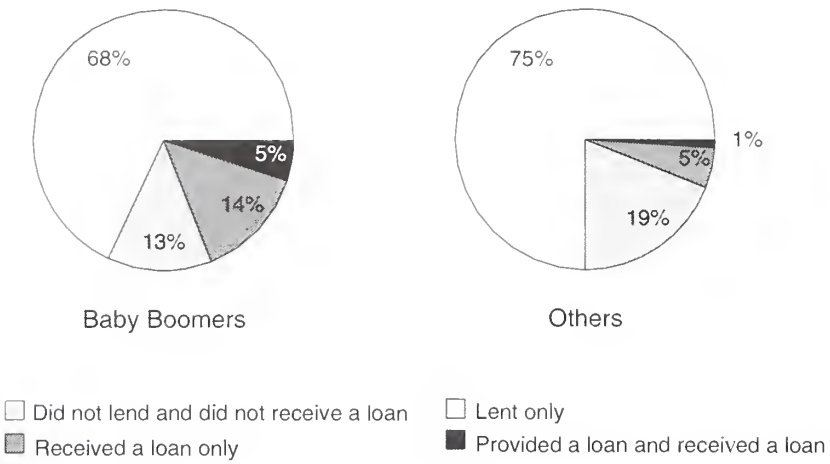
[2]The National Survey of Families and Households was funded by a grant (HD21009) from the Center for Population Research of the National Institute of Child Health and Human Development. The survey was designed and carried out at the Center for Demography and Ecology at the University of Wisconsin-Madison under the direction of Larry Bumpass and James Sweet. The field work was done by the Institute for Survey Research at Temple University.

In response to questions on gifts and loans, householders provided information on exchanges between their households and other households that were made over a 5-year period before the interview. (For the remainder of the paper, this is the period under discussion.) To the first in a series of questions on gifts and loans, householders indicated (1) whether they or their spouse or partner had given gifts or loans worth $200 or more to others not living in their household during the past 5 years or (2) if they had received gifts or loans worth $200 or more from people in other households during that time.

In answer to the first question about giving gifts and loans,[3] householders could have included gifts or loans to help others purchase a first home. However, in answer to the first question about receiving gifts or loans,[4] householders were not to include any money they received from others to help them purchase a first home that had been reported earlier in the interview. Consequently, the amount reported may be underestimated.

Next, separate questions on gifts and loans were asked. Whereas gifts received or given could consist of money and/or goods, loans consisted of money. Respondents were asked: "To whom did you loan more than $200 during the past 5 years?" and "Who on this list [of relatives and nonrelatives] loaned you more than $200.00 during the past 5 years?" The focus of this study is on loans only. Householders specified the total amount that they lent to people outside the household and the total amount that they received from different people not living with them during the 5-year period. Also, householders indicated for what specific reasons, if any, the interhousehold loans were made and received. Total loans from all sources were computed by adding the amount lent/received from parents, siblings, other relatives (excluding children), and nonrelatives. Few boomers were old enough at the time of the survey to have adult children living independently in other households; therefore, loan exchanges with these children were negligible. Consequently, exchanges with children are excluded from the analysis. All percentages and medians are weighted.

Distribution of households: Loans[1] between households over a 5-year period



[1]$200 or more.

Distribution of All Householders

Forty-four percent of the householders were baby boomers 23 to 41 years old and 56 percent were nonboomers. Among boomer householders, almost one-third (32 percent) were involved in loan exchanges with people in other households (see figure). ("Others" and "people in other households" are used interchangeably.) Thirteen percent only lent to others, and 14 percent only received loans from others. Five percent provided loans and received loans.

Nonboomers were less likely than boomers to be involved in interhousehold loan exchanges (25 percent). Of those who participated in interhousehold loan exchanges, nonboomers were more likely to be givers than receivers.

Characteristics of Boomer Householders Who Gave and Received Loans

For the remainder of this article, data are on boomer householders who specified the *amount* of loans given and received. Ninety-six percent reported the amount lent, and 98 percent reported the amount received. The median loan made by these boomers was $700; the median amount received was $2,000 (table 1).

[3]"During the past 5 years, did you give or loan more than $200.00 to anyone who was not living in your household at that time?"

[4]"During the past five [sic] years have you (or your husband/wife/partner) received a gift or loan worth more than $200 at any time from anyone not living with you at the time. (Do not include money to help purchase you[r] first home that you already told me about.)"

Table 1. Baby-boomer householders who specified amount of loans over a 5-year period, by their socioeconomic characteristics, 1987-88

Characteristic	Lenders		Recipients	
	Percentage of those who lent	Median amount for those who lent	Percentage of those who received a loan	Median amount for those who received a loan
All	100	$ 700	100	$2,000
Householder				
Age (years)				
23 - 31	44	500	51	1,500
32 - 41	56	900	49	2,400
Education				
Less than high school	7	500	5	500
High school	34	590	32	1,295
Some college	30	700	30	1,800
College degree	29	1,000	33	2,750
Gender				
Men	53	800	47	2,000
Women	47	590	53	1,970
Household				
Number of people in household				
One	13	700	10	1,500
Two	23	700	22	1,800
Three	20	500	21	2,000
Four	29	900	26	2,200
Five and more	15	600	21	2,000
Income[1]				
Less than $10,000	7	460	8	1,000
$10,000 - $20,000	13	500	16	1,000
$20,001 - $30,000	17	500	20	1,300
$30,001 - $40,000	16	600	16	2,000
$40,001 - $50,000	12	700	13	2,000
$50,001+	28	1,000	20	5,000
Other[2]	7	550	7	1,500
Housing tenure				
Own	63	800	56	3,000
Rent	37	500	44	1,000

[1]In the NSFH, there are two variables for total household income. One excludes income from interest, dividends, and other investments. The income reported here includes that of the respondent and spouse from these sources.
[2]Other = no answer and inapplicable.

Table 2. Baby-boomer householders who lent $200 or more over a 5-year period

To whom loan was given	Lenders	
	Percentage[1] of those who lent	Median amount for those who lent
Parents	13	$1,000
Siblings	44	590
Other relatives	9	500
Nonrelatives	45	650

[1]Does not add to 100 because baby-boomer householders may lend to more than one source.

When boomers received loans, parents were the predominant source of financial support. When boomers supplied loans, siblings and nonfamily households benefited.

Whereas a higher percentage (56 percent) of boomer lenders were older (ages 32 to 41), a higher percentage (51 percent) of boomer recipients were younger (ages 23 to 31) (table 1). Fifty-nine percent of boomers who lent to others and 63 percent of those who received loans from others had at least 1 year of college.

Over half of boomer lenders were men (53 percent); median amount lent was $800. Over half of boomer recipients were women (53 percent); median loan received from others was $1,970. About two-thirds of lenders (64 percent) and recipients (68 percent) had three or more people in their household.

Twenty-eight percent of boomers who lent and 20 percent of those who received loans had a household income above $50,000. Boomer lenders in this income category gave a median loan of $1,000 and boomer recipients acquired a median loan of $5,000. Nearly two-thirds (63 percent) of the lenders and over half (56 percent) of the recipients were homeowners. Owners who were lenders provided $800 to others and homeowner recipients obtained $3,000 from others.

Median Loans Given and Received, by Source

Boomers were more likely to lend to nonrelatives (45 percent) and siblings (44 percent) than to parents or other relatives (table 2). For boomers who lent to nonrelatives, the median loan was $650; for those who lent to siblings, the median loan was $590. Thirteen percent of the boomers provided loans to their parents. For these boomers, the median loan was $1,000. For those who provided a loan to other relatives (9 percent), the median loan was $500.

Boomers who specified the amount they received obtained loans from their parents (71 percent), nonrelatives (16 percent), siblings (15 percent), and/or other relatives (11 percent) (table 3). Among those who said how much was received from parents, the median amount was $2,000. For those who said how much was received from siblings, other relatives, and nonrelatives, median loans ranged from $1,000 to $1,500.

Table 3. Baby-boomer householders who received loans of $200 or more over a 5-year period

From whom loan was received	Recipients	
	Percentage[1] of those who received loans	Median amount for those who received a loan
Parents	71	$2,000
Siblings	15	1,000
Other relatives	11	1,500
Nonrelatives	16	1,000

[1]Does not add to 100 because baby-boomer householders may receive loans from more than one source.

Specific Reasons Loans Given and Received

The distribution for those who lent showed that 22 percent provided loans for transportation; 18 percent gave loans for business concerns, legal matters, and debt problems; 15 percent for housing; and 16 percent for other items. Twenty-nine percent lent for no specific reason. The distribution for those who received loans revealed that 24 percent obtained them for transportation; 16 percent for business concerns, legal matters, and debt problems; 23 percent for housing; and 18 percent for miscellaneous items. Nineteen percent received loans for no specific reason.

Summary and Conclusions

The major finding of this study is that very little money was transferred between boomer households and people in other households. Only one-third of boomers gave and/or received loans of $200 or more over a 5-year period. It appears that few households were exchanging loans—only 5 percent both gave and received loans. Also, boomers received much more money than they lent. When boomers received loans, parents were the predominant source of financial support. When boomers supplied loans, siblings and nonfamily households benefited.

Loans of $200 and more over a 5-year period may not be an indication of long-term financial need or a change in long-term economic status. However, this type of exchange may reflect short-term demands on scarce household resources and the degree of reciprocity between households.

Whether these loans occurred because of money needed for a downpayment on a vehicle, a downpayment on a house (excluding loans boomers received to help with downpayment on a first home), a mortgage payment, debt consolidation, medical or legal expenses, taxes, business expenses, or simply convenience, boomer households used loans to manage their resources and to help others when the need arose. As Williams (*12*) states, "Alternatives exist for managing with economic uncertainty, and inter-household exchange cannot be overlooked as a viable economic alternative..." (p. 251).

Loans may reflect life course events. According to MacDonald (*9*), events related to family formation rather than economic threats are associated with interhousehold flows of gifts and loans. He concludes: "On the whole the events that generate larger inter-[household] transfers via gifts and loans are marriage, and migration—two fairly predictable life course changes. Families seem to provide more gifts and loans to help their offspring cope with the ordinary than they respond to relatively rare events that may cause more severe financial strain, like divorce or spells of nonemployment" (pp. 23-24).

This study focused on loans of money between baby-boomer householders and people living in other households. However, the informal support network among households assumes a much wider role for contemporary families (*7*). Families may provide and/or receive assistance with daily activities such as transportation, child care, and shopping. Therefore, a study of nonfinancial interhousehold support between baby boomers and others would provide additional information on the extent and type of support systems used by this large group.

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Long-Term Care Trends

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The number of Americans age 65 and older is projected to grow by 73 percent between 1992 and 2020. Along with an increased life expectancy comes an increased likelihood of illness and disability. Greater longevity will lead to an increase in the demand for long-term care services for the elderly. Although long-term care is commonly identified as nursing home care, daily help with health and personal needs, either in the home or in the community, is also part of long-term care. Nursing home care, which averages over $30,000 a year, is paid for mainly out of pocket and by Medicaid. Medicare and private insurance contribute very little. A number of alternatives to nursing home care, such as retirement communities and home health care, are presented.

The provision of long-term care for the elderly is considered to be one of the country's most challenging problems. The United States is experiencing a dramatic aging of its population. In 1992, there were 31.8 million Americans age 65 or older. That number is projected to grow to about 55 million by 2020 (*1*). The estimated life expectancy for people who turned age 65 in 1992 is 19.0 additional years for females and 14.9 years for males (*14*). During these years, the likelihood of suffering acute illnesses and chronic disabling conditions increases greatly. The purpose of this paper is to describe the nature of long-term care, the costs and how they are paid, the care received by elderly disabled veterans, and alternatives to nursing home care.

By the year 2000, over 8 million elderly Americans will need some form of long-term care for chronic illness or disability (*1*). The dependent elderly continue to receive the most care from their families, particularly from females (nearly 75 percent) (*9*). The provision of informal care by family members keeps public expenditures down and provides a better sense of independence for the elderly family member. However, unpaid, informal caregiving is declining as more women enter or reenter the labor force. Thus, many of the elderly who might have been cared for at home by family members will require formal long-term care. The need for an answer to the question of how to deliver and pay for long-term care for the elderly is becoming increasingly urgent.

Long-term care is often equated with nursing homes, though it encompasses community-based services, including in-home services, as well. Long-term (usually defined as 6 months or longer) care consists of medical, nursing, social, and personal services provided in a person's home, in the community, or in an institution (*11*).

Nursing Home Care

There are 19,100 nursing homes in the United States (*1*), and nearly 16,000 of these homes had been certified for Medicare and/or Medicaid in 1991 (*4*). The number of nursing home beds per 1,000 population age 65 or older varies greatly across the country, from a low of 26 in Hawaii and Florida to a high of 108 in Iowa. The national average is 53 (table 1) (*4*). Most (75 percent) nursing homes are for profit, 20 percent are nonprofit, and 5 percent are operated by Federal, State, and local governments (*1*).

Those most likely to need nursing home care are never-married people who lack a potential caregiver and married women who outlive their spouses. Seventy-five percent of nursing home residents are women. Of people age 85 or older, one in four women live in a nursing home, compared with one in seven men (*1*). In addition to advanced age, inability to perform the basic activities of daily living (ADL's)[1] indicates a need for nursing home care (*9*). Although half of nursing home residents stay for 6 months or less while receiving rehabilitation services (*1*), 1 in 4 people over age 65 will need nursing home care for at least 1 year, and 1 in 10 for 5 years or longer (*8*).

[1]Activities of daily living are: Bathing, dressing, grooming, toileting, transferring from a bed or chair independently, and moving about (*9*).

Table 1. Certified[1] nursing facilities, beds, and beds per thousand elderly, by State, 1991

State	Total certified facilities	Total beds in certified facilities	Beds per 1,000 elderly, 65 and over
United States	**15,913**	**1,690,481**	**52.8**
Alabama	219	22,289	41.8
Alaska	15	875	38.4
Arizona	132	15,595	30.4
Arkansas	248	26,338	72.4
California	1,290	132,032	40.2
Colorado	204	19,854	59.8
Connecticut	240	28,669	62.2
Delaware	41	4,471	52.7
District of Columbia	16	3,138	39.3
Florida	554	65,837	26.3
Georgia	364	38,528	55.6
Hawaii	43	3,505	26.2
Idaho	70	5,659	48.2
Illinois	792	100,587	69.3
Indiana	590	64,263	92.2
Iowa	463	44,950	108.3
Kansas	415	29,767	85.5
Kentucky	282	24,211	51.1
Louisiana	327	36,681	75.6
Maine	146	10,080	60.6
Maryland	217	27,665	51.5
Massachusetts	540	51,594	61.5
Michigan	439	49,927	45.0
Minnesota	472	48,403	87.4
Mississippi	162	14,691	43.9
Missouri	469	47,446	64.8
Montana	99	7,056	69.2
Nebraska	237	18,464	82.1
Nevada	36	3,497	29.9
New Hampshire	76	7,321	55.0
New Jersey	306	44,317	40.8
New Mexico	71	6,558	38.6
New York	619	103,516	43.0
North Carolina	320	29,658	35.3
North Dakota	83	7,123	80.8
Ohio	988	92,518	65.6
Oklahoma	409	33,758	78.7
Oregon	176	15,165	40.8
Pennsylvania	690	88,591	48.2
Rhode Island	100	9,808	64.9
South Carolina	147	14,099	34.9
South Dakota	118	8,530	84.1
Tennessee	300	35,551	55.2
Texas	1,127	115,148	64.0
Utah	90	6,913	47.3
Vermont	48	3,585	53.3
Virginia	258	30,989	44.9
Washington	287	28,256	50.6
West Virginia	122	10,849	40.7
Wisconsin	418	49,297	76.1
Wyoming	38	2,859	68.1

[1]Certified for Medicare and/or Medicaid.
Source: American Health Care Association, 1992, Issue and Data Book for Long Term Care (4).

Costs and Payments for Nursing Home Care

Nursing home care expenditures rose 12.8 percent from 1990 to 1991 (*13*), compared with a 4.2-percent increase in the overall inflation rate (*15*). In 1991, the total expenditure on nursing home care in the United States was $59.9 billion (*13*), up from $1.0 billion in 1960 and $4.9 billion in 1970 (table 2). The proportion of total personal health care expenditures allocated to nursing home care also rose, from 4.1 percent in 1960 to 9.1 percent in 1980 through 1990 (*6*). Although a small percentage of this total was used for short-term, post-acute care, care of the mentally retarded, and care of younger nursing home patients, most of these funds were used for long-term care for the elderly. The Health Care Financing Administration (HCFA) estimates that the cost of nursing home care will reach $86 billion in 1995 and $131 billion in 2000 (*12*).

The cost of care for individuals in nursing homes varies greatly, depending on the level of care provided, the needs of the resident, and the location of the facility (*4*). In 1990, nursing home care averaged $31,000 a year, or $86 a day (*6*). The lowest priced nursing homes, at about $20,000 per year, were found in rural areas, whereas the highest priced homes, up to $60,000 per year, were found in major cities (*8*).

By region of the country, the costs are highest in the Northeast, followed by the West, the Midwest, and the South (*1*). Daily rates always include room, board, nursing care, therapeutic services, and social activities. Services such as physical and speech therapy are usually charged separately (*4*).

Out-of-Pocket Payments

In 1990, 45 percent of the cost of nursing home care was paid out of pocket by patients and/or their families (fig. 1, p. 12) (*4*). In 1960, before establishment of the Medicare and Medicaid programs, patients paid almost 80 percent out of pocket for nursing home care (table 2) (*6*).

Table 2. Total personal health care expenditures and nursing home care expenditures, by selected source of payment: Selected years 1960-90

Source of payment	1960		1970		1988		1989		1990	
	Total	Nursing home care	Total	Nursing home care	Total	Nursing home care	Total	Nursing home care	Total	Nursing home care
	Amount in billions									
Personal health care expenditures	$23.9	$1.0	$64.9	$4.9	$482.8	$42.8	$529.9	$47.7	$585.3	$53.1
Out-of-pocket payments	13.3	0.8	25.6	2.3	119.3	20.6	126.1	20.8	136.1	23.9
Third-party payments	10.5	0.2	39.3	2.5	363.5	22.2	403.8	26.9	449.2	29.3
Private health insurance	5.0	0.0	15.2	0.0	154.1	0.5	169.6	0.5	186.1	0.6
Other private	0.4	0.1	1.7	0.2	16.8	0.8	19.0	0.9	21.3	1.0
Government	5.1	0.1	22.4	2.3	192.6	20.9	215.2	25.4	241.8	27.7
Federal	2.1	0.1	14.6	1.4	141.7	12.6	158.8	16.4	177.2	17.2
Medicare	–	–	7.2	0.2	88.5	1.0	100.3	3.8	108.9	2.5
Medicaid	–	–	2.7	0.7	29.4	10.7	33.6	11.7	40.6	13.7
Other	2.1	0.1	4.7	0.4	23.9	1.0	24.9	0.9	27.7	1.0
State and local	3.0	0.1	7.8	0.9	50.9	8.3	56.3	9.0	64.6	10.5
Medicaid	–	–	2.3	0.6	22.7	8.3	25.6	8.9	30.7	10.5
Other	3.0	0.1	5.5	0.3	28.2	0.0	30.8	0.0	33.9	0.1
Total Medicaid	–	–	5.1	1.4	52.1	19.0	59.2	20.6	71.3	24.1

Source: Levit, K.R., et al., 1991, National health expenditures, 1990, Health Care Financing Review 13(1):29-54.

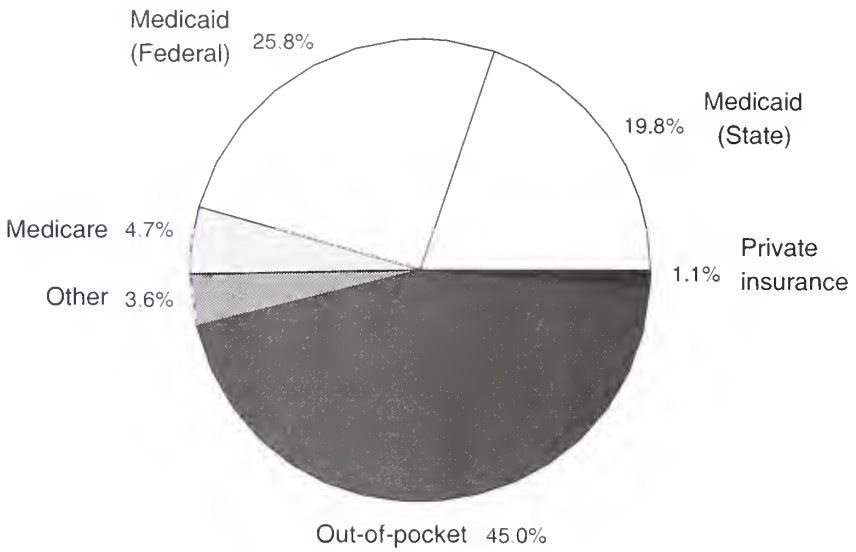
Medicare

Contrary to popular belief, only a small portion of nursing home costs are paid for by Medicare or private insurance. Medicare, a Federal health insurance program for the aged and disabled implemented in 1966, paid only 4.7 percent of nursing home costs in 1990; private insurance policies paid only 1.1 percent (fig. 1) (*4*). Medicare Part A (hospital insurance) provides for up to 100 days of inpatient, skilled nursing facility care following (within 30 days) a hospitalization of 3 days or more per benefit period. A benefit period begins when the beneficiary first enters a hospital and ends when there has been a break of at least 60 consecutive days since inpatient hospital or skilled nursing care was provided. The first 20 days of skilled nursing facility care are fully covered. For days 21 through 100 there is a co-insurance payment for the benefit ($81.50 per day in 1992) (*16*). Medicare pays nothing after 100 days of skilled nursing facility care. No benefits are provided for intermediate care or custodial care under Medicare (*3*).[2]

The HCFA has considered adding long-term care benefits to Medicare. However, demonstration projects conducted during the 1980's were inconclusive with respect to costs, so long-term care was never incorporated into Medicare (*11*).

[2]Skilled nursing care is for those who need intensive, 24-hour-a-day care and supervision by a registered nurse. Intermediate care is for those who require 24-hour supervision and nursing assistance but do not meet the medical criteria for skilled care. Custodial care is for those who require room, board, and help with personal care but may not require health care services (*3*).

Figure 1. Nursing facility payments, 1990



Source: American Health Care Association, 1992, Issue and Data Book for Long Term Care, Washington, DC (4).

Medigap

Another common misconception is the belief that Medicare Supplemental Insurance—commonly called medigap—will pay for nursing home care. Medigap, a private health insurance option that supplements Medicare coverage, generally pays for the noncovered costs of Medicare-covered services, such as hospital deductibles and physician copayments, but does not pay for long-term care (*3, 13*).

Medicaid

The Medicaid program is the major provider of financing for long-term care. This program originated in 1965 as a jointly funded cooperative venture between the Federal and State Governments to help States provide more adequate medical care to eligible low-income Americans of all ages (*16*). In 1990, Medicaid paid for 45 percent of all nursing home costs and covered about 61 percent of all nursing home residents (*3*).

Increases in spending for Medicaid over the past few years have exceeded increases in the Consumer Price Index and in the number of beneficiaries. The growth in Medicaid spending reflects:

- The accelerated rate of inflation for medical and health-related services.
- Technological advances that keep very low birth weight and critically ill people alive but in need of continuing expensive care.
- The increase in the number of very old and disabled people requiring long-term care.
- The increase in the rates of reimbursement to health care providers.
- The economic recession and Federal legislation that increased the size of the covered population (*16*).

Between 1990 and 1991, there was a 34.4-percent increase in Medicaid program benefits. Increased utilization and higher numbers of elderly have caused the program to expand so much that long-term services are the primary component of many State Medicaid budgets (*13*).

The Medicaid program varies greatly from State to State. Eligibility standards, services, and the rates of payment are determined by each State. Then individual State programs are administered within broad Federal guidelines (*16*). A person who is eligible in one State might not be eligible in another. Medicaid operates as a vendor payment program and makes payments directly to providers. Those providers participating in Medicaid must accept the Medicaid reimbursement level as payment in full (*16*). Various studies have determined that the cost of nursing home care provided to Medicaid patients is subsidized by private patients, who make higher payments (*5*). As a result, private patients are usually preferred and Medicaid recipients often have difficulty gaining access to nursing homes.

Although much of the Medicare Catastrophic Coverage Act of 1988 was later repealed, it had a major impact on Medicaid eligibility. Additional income and assets for the spouse at home were protected under the "spousal impoverishment" provision (*16*). States must allow the spouse at home to retain a minimum monthly income and a State-determined amount in liquid assets or resources,[3] in addition to the couple's home, before the resources of the nursing home resident are used to pay the cost of care. Minimum amounts will increase yearly until 1997 and only apply to nursing home payments (*3*).

[3]As of July 1992, the monthly maintenance allowance had to be at least $984 and the amount in liquid assets or resources at least $13,790 (*3*).

Generally, Medicaid eligibility requires impoverishment. However, elders with median and even higher income and resources often qualify for nursing home care under Medicaid while preserving the bulk of their assets for their heirs without repayment of public costs. Financially sophisticated elderly people can work with private "elder law" attorneys, accountants, and financial planners to shelter income and assets. Sheltering techniques include: Interspousal and other legal transfers, trusts, purchase of exempt assets, "intent to return" to the home, life estates, joint tenancy with right of survivorship, gift and estate planning, durable power of attorney, guardianships, divorce, relocation, care contracts, and nonsupport suits (*7*).

Long-Term Care Insurance

Long-term care insurance, another option for financing long-term care, is relatively new. As of late 1991, over 140 companies sold long-term care policies or permitted conversion of life insurance to long-term care insurance. More than 1.92 million policies were in effect by this time, covering 3 percent of the elderly population (*11*). Private long-term care policies are usually limited to Medicare-certified nursing homes (*3*). Most companies will not sell a policy to someone after age 79; some have earlier cut-offs (*3*).

A good long-term-care policy would provide:

- The amount of the daily nursing-home cost that exceeds an individual's discretionary income. For example, if the daily nursing-home cost is $100 and the individual's daily income from pensions, Social Security, etc., is $30, the policy should insure for $70.
- Inflation protection that adds 5 percent to the original benefit each year.

By the year 2000, over 8 million elderly Americans will need some form of long-term care for chronic illness or disability.

- Waiver of premiums while policyholder is collecting benefits.
- A reasonable wait before coverage begins.
- Coverage for any level of care.
- No hospitalization requirement before collecting benefits.
- Coverage for mental disorders and frailty.
- Guaranteed renewable to prevent cancellation (*8*).

Cost of long-term insurance depends on the age of the policyholder. For a basic policy, a 55-year-old might pay $230 a year, a 68-year-old $890 a year, and a 75-year-old $1,650 a year (*8*). Because relatively few people face long nursing home stays involving catastrophic expense, long-term care lends itself to insurance and risk pooling in which many people contribute to a fund to cover the large expenses of a few.

Care for Elderly Veterans

The Department of Veterans Affairs funds three types of nursing home care for elderly, disabled veterans: VA-operated nursing home care units, the VA State Home Nursing program, and the VA Community Contract Nursing Home program. The 129 nursing home care units are based in VA hospitals and provide extensive nursing home care to about 13,500 veterans. The 56 State home facilities provide a wide range of nursing home care with costs shared by the VA, veterans, and States for about 11,200 veterans. Under the Community Contract Nursing Home program, the VA contracts with about 2,800 community nursing homes, enabling veterans to be cared for in facilities near their homes. Veterans with non-service-connected disabilities may receive care for up to 6 months; veterans with service-connected disabilities may be cared for indefinitely. This program serves about 7,600 veterans. By the year 2000, nearly 9 million American veterans will be age 65 or older, up from 7 million in 1990. Thus, the need for long-term care for veterans will continue to grow (*4*).

Table 3. Nursing home care expenditures, by source of funds: Projections for 1992, 1995, and 2000

Source	1992	1995	2000
	Percent distribution		
All private funds	46.8	46.1	48.6
Out-of-pocket	43.7	42.9	45.0
Private insurance	1.2	1.3	1.6
Other	1.9	1.9	2.0
Government funds	53.2	53.9	51.4
Federal	33.0	33.1	31.7
State and local	20.3	20.7	19.7

Source: Sonnefeld, S.T., et al., 1991, Projections of national health expenditures for the year 2000, Health Care Financing Review 13(1):1-27.

Funding Projections

The source of funds for nursing home care is expected to change slightly by the year 2000 (table 3). According to the HCFA, the proportion paid by private sources—out of pocket, insurance, and other—should increase by almost 2 percent, while that paid by public funds should decline by a corresponding proportion (*12*).

Nursing Home Personnel Shortage

Because wages for nursing personnel in nursing home facilities are lower than in hospitals, there is a continuing shortage of nurses, aides, and other personnel in the long-term care industry (fig. 2). In 1991, the average aide wage in hospitals was 33 percent higher than in nursing facilities, and the average registered nurse wage was 14 percent higher. Wage disparity may be partially attributed to the source of reimbursement. The primary source of funds for nursing facilities is Medicaid, whereas the primary source for hospitals is Medicare (*4*).

Care Management

Care management services are becoming an integral part of long-term care. Also called case management, case coordination, service coordination, or service management, care management arose out of a need to make the delivery of health care less complicated for the increasing number of older Americans who require long-term care. Care management is particularly beneficial for those individuals with chronic, multiple health problems or psychosocial problems and those without family or friends nearby (*2*).

A care manager assesses an individual's need for long-term care; locates, arranges, and coordinates the provision of services from a variety of sources; and monitors these services. A care manager can also help a family deal with the financial aspects of long-term care by considering available options and by determining eligibility for government programs (*2*).

Care management services are available from several sources. Under the Older Americans Act, each State receives Federal funds for local programs for citizens age 60 and older, allocated by the Area Agencies on Aging. Information and referral programs funded by the Area Agencies on Aging may offer care management services for elderly people. State departments of social services may offer care management in determining eligibility of long-term care services under Medicaid. Hospitals often offer care management when a patient is to be discharged. Insurance companies that offer long-term care insurance may also offer care management as part of their coverage. In addition, there are private geriatric care agencies and individuals who provide care management for a fee, usually ranging from $50-$150 per hour. When provided under Medicaid or private insurance, there is usually no out-of-pocket cost to the consumer. Area Agencies on Aging may offer free care management or use a sliding-scale fee system (*2*).

Alternatives to Nursing Home Care

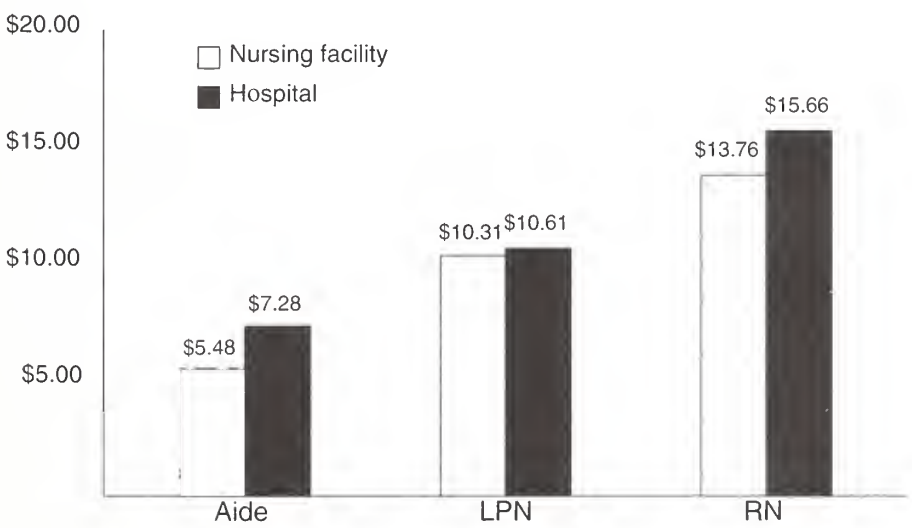
Continuing Care Retirement Communities

A continuing care retirement community (CCRC) contracts with an older person to provide independent living and appropriate health services for the rest of that person's life. Health services include care management and primary, acute, and long-term care. CCRC's encourage independent living in apartments, rooms, or cottages for as long as possible (*1*).

Historically, religious organizations established homes to care for aged and disabled members; this concept evolved into CCRC's. Nearly all CCRC's today are sponsored by religious or other nonprofit organizations, although several commercial organizations, such as Marriott, have entered the market (*11*).

Between 1990 and 1991, there was a 34.4-percent increase in Medicaid program benefits.

Figure 2. Average hourly wages of nursing personnel (per FTE) in nursing facilities compared to hospitals, 1991



Source: American Health Care Association, 1992, Issue and Data Book for Long Term Care, Washington, DC (4).

Most CCRC's require a substantial entry fee and ongoing monthly payments, which vary according to apartment size and the level of health care included in the individual's contract. The three basic levels of health care are:

- Extensive—includes housing, services, and long-term nursing care with no substantial increase in monthly fees;
- Modified—includes housing, services, and a limited amount of nursing care, with daily rates for nursing care thereafter; and
- Fee-for-service—includes housing, services, and guaranteed access to long-term nursing care but at full daily rates (*1*).

There are over 5 million functionally disabled elderly Americans who continue to live at home.

In 1988, the median entrance fee for a one-bedroom unit with three meals a day was $47,000, with a monthly fee of $830. Since 1988, fees have increased by about 5 percent a year (*11*).

An estimated 1,000 CCRC's were in operation in 1991, an increase of about 300 since 1988. On average, the facilities house nearly 300 residents each, serving about 1 percent of the elderly population (*11*). CCRC's are regulated in 36 States, and over 90 percent of CCRC's are located in these 36 States. The greatest number of CCRC's are located in Pennsylvania, California, and Florida. North Carolina, Illinois, Indiana, Ohio, Kansas, and Texas also have large numbers of CCRC's. The average age of CCRC residents is 82, and the average age at entry is 78. The majority are female (77 percent) and single (73 percent) (*1*).

The major drawback to CCRC's is their price. Only an estimated 15 percent of those age 75 or older in the year 2000 will be able to afford living in a CCRC (*11*).

Assisted Living Facilities

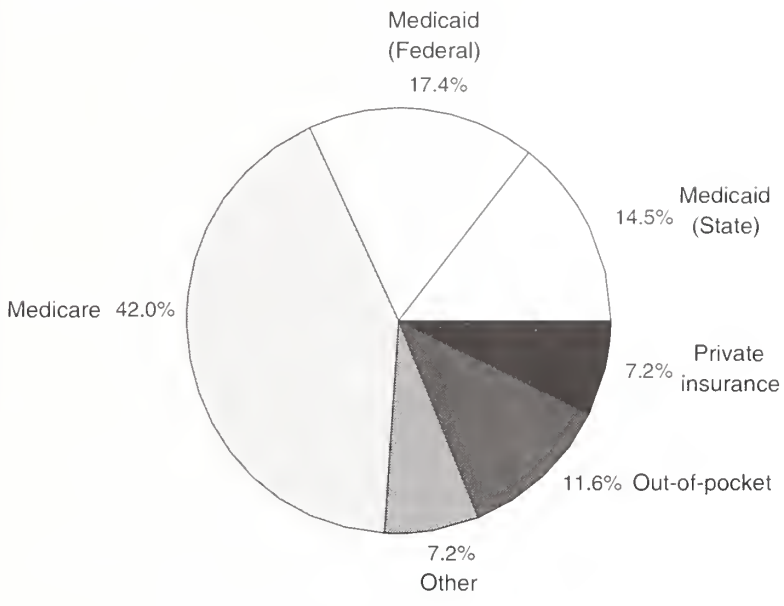
Another alternative to nursing home care is residence in an assisted living facility (ALF). Nationwide, over 1.5 million elderly and disabled people live in ALF's, which serve individuals who cannot live independently; they require some assistance but not as extensive as that provided in a nursing home. Residents of ALF's, with an average age of 85, may need assistance with bathing, dressing, eating, housekeeping, transportation, or other daily activities. About 25 elderly people live in a typical ALF. The facilities are sponsored by religious, nonprofit, and for-profit organizations and are generally regarded as cost-efficient (*1*). Most States do not license, inspect, or monitor these facilities, and costs and quality of care vary greatly (*3*).

Home Health Care

There are over 5 million functionally disabled elderly Americans who continue to live at home (*9*). The majority of the disabled elderly living at home rely on informal caregiving from a spouse, family member, or friend in order to remain at home. Seventy percent rely solely on informal, nonpaid assistance, 27 percent use a combination of formal and informal care, and 3 percent rely solely on paid caregivers (*9*). The types of patients who could benefit from home health care include those with dementia, functional dependency, terminal illness, isolation, complex medical illness, immobilization, and need for extended posthospital care (*10*).

The total expenditure on home health care in the United States in 1990 was $6.5 billion, up from $1.3 billion in 1980 (*12*). The tremendous growth in the home health care industry can be attributed to the pressure for earlier hospital discharges based on the diagnosis-related group (DRG) system, the increasing costs of nursing home care, and the desire of most elderly people to remain in their own home (*10*).

Figure 3. Home health care payments, 1990



Source: American Health Care Association, 1992, Issue and Data Book for Long Term Care, Washington, DC (4).

Unlike the payment system for nursing home care, Medicare is the major source of funds for home health care, providing 42 percent of payments in 1990 (fig. 3) (*4*). Under Part A of Medicare, home health agency care (HHA) has no time limitations, copayments, or deductible, provided the beneficiary is confined at home and has need for intermittent or part-time skilled nursing, physical therapy, or rehabilitation care (*16*).[4] To qualify, there must be a plan of treatment reviewed periodically by a doctor (*16*). Supplemental Medical Insurance (Medicare Part B), which is optional and must be paid for through monthly premiums, will reimburse up to 80 percent of costs for medical equipment, such as wheelchairs, hospital beds, and oxygen machines (*3*).

Other sources of payments for home health care in 1990 were Medicaid (32 percent), out of pocket (12 percent), and private insurance and other (7 percent each) (*4*). The great majority of the elderly want to avoid the use of nursing homes if at all possible, and families tend to place elderly relatives in nursing homes only after informal caregiving becomes an overwhelming burden. In some cases, cost savings and greater independence can be achieved by using paid home health care rather than nursing homes.

[4]The home health benefit under Medicare covers part-time skilled care for up to 35 hours a week (*3*).

Community-Based Services

Community-based services represent the options available to enable functionally dependent people to remain at home rather than be institutionalized. Federal funds are allocated by the Area Agencies on Aging, which provide services for elderly citizens directly or under contract with local agencies, organizations, or companies. Some of the services are free, whereas others charge fees. Available services include: Congregate nutrition sites, home-delivered meals, chore services, adult day care, homemaker services, senior centers, transportation, home visitations, and telephone reassurance services. Similar programs are provided for low-income people under Social Service Block Grants (*3*).

Conclusion

Long-term care includes a broad range of health, social, and personal care services, many of which may be viable alternatives to care in a nursing home. Many services for the elderly are available at little or no cost. Americans should recognize that the need for long-term care is a normal risk of growing old that can be anticipated and planned for ahead of time, before there is a crisis.

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Measuring the Economic Status of the Elderly

The economic status of older Americans has been an issue of great concern to researchers and policymakers. Previous studies revealed a disparity of findings—some researchers concluded that the economic status of the elderly was low, whereas others found them to be well-off. This study reports on recent research and discusses the numerous complexities involved in making an accurate assessment of elders' economic status. Compared with most other recent studies, this study finds a less favorable status for the elderly relative to other age groups.

Current Research

The elderly are not a homogeneous group, and wide differences exist within each subgroup. In 1990, median cash income of households with a householder age 65 or older was $16,855. Seven percent of all elderly households had incomes below $5,000, 8 percent between $50,000 and $100,000, and 2 percent had incomes of at least $100,000.

Income also varied by marital status, race or ethnicity, and age subgroup. In 1990, median income for married couples was $23,352, compared with $10,893 for unmarried males and $8,746 for unmarried females. Median income for White household units (married couple or unmarried people) was $14,542 versus $6,987 for Black and $7,879 for Hispanic households. The youngest older households (65-69 years old) had a median income of $18,352, more than double that of the group age 85 and older ($8,668).

In 1990, the poverty rate for the elderly also varied among subgroups. The overall poverty rate was 12.2 percent, 10.1 percent for Whites, 33.8 percent for Blacks, and 22.5 percent for Hispanics. Within the group 65 years and over, poverty rates ranged from a low of 8.4 percent for those age 65-69 to a high of 20.2 percent for those age 85 and older (table 1). Whereas the poverty rate for the elderly is below that for the nonelderly (13.7 percent), it is above the rate for adults between ages 30 and 64.

Table 1. Percentage of poor people, by age, 1990

Age of person	Percentage of age group below poverty threshold
All ages	13.5
Under 65	13.7
65 or older	12.2
Under 5	24.0
5 - 9	21.3
10 - 14	18.7
15 - 19	16.4
20 - 24	15.8
25 - 29	12.8
30 - 34	11.4
35 - 39	9.1
40 - 44	7.7
45 - 49	7.3
50 - 54	8.4
55 - 59	9.0
60 - 64	10.3
65 - 69	8.4
70 - 74	11.3
75 - 79	13.3
80 - 84	17.5
85 or older	20.2

Source: Tabulations from the March 1991 Current Population Survey.

An important resource for the elderly is their net worth. In 1988, median net worth for households with a householder age 65 or older was $73,471. Seventeen percent had a net worth of less than $10,000, 26 percent were between $100,000 and $250,000, and 14 percent had a net worth over $250,000. Again, there is great variation in net worth among subgroups of the aged. Median net worth was $81,648 for White households, $22,210 for Blacks, and $40,371 for Hispanics. Married-couple households had a net worth of $124,419, compared with $48,883 for unmarried males and $47,233 for unmarried females.

Median cash income in 1990, adjusted for unit size and age, was highest for middle age groups and lowest for the oldest and youngest age groups (table 2). The median for the group age 85 and older was $10,220—the lowest of any age group. Their relative median (that is, the median for the group divided by the median for all ages) was 0.53, compared with that of 0.97 for the age group 65-69. The highest median income, $26,305 (relative median 1.37), was reported by those age 45-49.

Table 2. Median family unit income, adjusted for unit size and age, and relative median, by age of unit head, 1990

Age of unit head	Median	Relative median
All ages[1]	$19,174	1.00
Under age 65	20,401	1.06
65 or older	14,782	.77
20 - 24	11,241	.59
25 - 29	17,588	.92
30 - 34	19,176	1.00
35 - 39	20,845	1.09
40 - 44	22,815	1.19
45 - 49	26,305	1.37
50 - 54	25,983	1.36
55 - 59	24,884	1.30
60 - 64	20,527	1.07
65 - 69	18,506	.97
70 - 74	15,591	.81
75 - 79	13,476	.70
80 - 84	11,500	.60
85 or older	10,220	.53

[1]Includes units with age of head 15 or older.

Source: Tabulations from the March 1991 Current Population Survey.

Other Recent Research

Some researchers believe that the well-being of age groups can be better assessed by including noncash income together with cash income. The well-being of the elderly generally improves relative to that of the nonelderly when noncash income is included in the measurement. Medicare benefits have a large positive impact on the economic status of the elderly. The inclusion of imputed rent also improves their status because a high proportion own their own homes. However, the types of noncash income included in the measurement of economic status and the valuation of those types of income are highly controversial.

The Bureau of the Census published studies that include noncash income when comparing the income of the elderly versus that of all ages. The estimates were based on Current Population Survey (CPS) data for 1990. When income was defined as cash income before taxes, the ratio of median income for elderly households to that for all households was 0.603 (table 3). When the same definition was used, minus taxes plus selected noncash income types, the ratio increased to 0.783. When the definition also included imputed rent on owner-occupied homes, the ratio rose to 0.830. The net effect of these adjustments was to increase the median income of elderly households by 36 percent and to decrease the median income of all households by 1 percent. The use of means rather than medians produced similar results.

The Congressional Budget Office (CBO) published studies of income by age groups using 1989 CPS data. The CBO used a definition of income that subtracted several types of taxes (Federal income and payroll taxes) and added noncash income (the value of food stamps, school lunches, and government housing benefits). Unlike the Bureau of the Census studies, the CBO definition of income used an adjustment for differential needs, and excluded Medicare and imputed rent on owner-occupied homes. The ratio of mean income for elderly households to the mean for all

Table 3. Median incomes for all households and for elderly households, 1990

Definition of income	Elderly households	All households	Ratio of elderly to all
1. Cash income before taxes	$18,062	$29,943	0.603
2. Definition 1 minus taxes plus selected noncash income types	21,700	27,720	.783
3. Definition 2 plus imputed rent	24,590	29,615	.830

Source: U.S. Department of Commerce, Bureau of the Census, 1991, Measuring the effect of benefits and taxes on income and poverty: 1990, Current Population Reports, Series P-60, No. 176-RD.

family units was 0.940. When cash income before taxes was used as the definition of income, the ratio dropped to 0.880.

Other studies have included both cash income and wealth to estimate well-being. In general, the relative status of the elderly improved when wealth was taken into account in defining resources. However, combining income and wealth in a single measure is very controversial.

Several studies undertaken in recent years compare the economic status of the elderly relative to the nonelderly for the United States and several other industrialized countries, mainly in Western Europe. Comparisons show that U.S. elderly are generally at least as well-off as the elderly in other Western industrialized countries. However, poverty rates for the elderly are generally higher in the United States than in the other countries studied.

The ability to cope with financial risks is another aspect of estimating economic well-being. Studies have looked at the ability of the elderly to deal with unexpectedly high inflation and rare large expenses, such as acute health care expenses and long-term care expenses. In one study that assessed vulnerability to inflation, the elderly were found to be only slightly vulnerable because home equity, Social Security, Medicare, and Medicaid—all very important resources for the elderly—were assumed to be inflation proof.

Researchers have not yet found a satisfactory way to produce a single measure of economic well-being by combining information on level of living with information on vulnerability to economic risk. Such a measure would be very useful in assessing the relative well-being of the elderly.

Source: Radner, D.B., 1992, The economic status of the aged, *Social Security Bulletin* 55(3):3-23.

The Development and History of the Poverty Thresholds

The poverty thresholds and the poverty guidelines are the two versions of the Federal poverty measure; the poverty thresholds are the primary versions. The thresholds are used mainly for statistical purposes such as estimating the number of people in poverty and tabulating them by type of residence, race, and other social, economic, and demographic characteristics. The thresholds are issued by the Bureau of the Census. The poverty guidelines, however, are used for administrative purposes such as determining eligibility for Federal programs and are issued by the Department of Health and Human Services.

Development of the Poverty Thresholds

The poverty thresholds were developed by Mollie Orshansky, an economist working for the Social Security Administration, in 1963-64. Orshansky's original purpose was to develop a measure to assess the relative risks of low economic status among different demographic groups of families with children—not to introduce a new general measure of poverty.

Orshansky used the food plans prepared by the Department of Agriculture as a "generally accepted" standard of adequacy for food. At the time, there were four food plans prepared by the Department of Agriculture: liberal, moderate, low-cost, and economy. The first three plans were introduced in 1933 and the economy plan in 1961.

The economy plan was based on the Agriculture Department's 1955 Household Food Consumption Survey. Two sets of poverty thresholds were developed: one was based on the dollar cost of food in the economy food plan and the other on the dollar cost of food in the less stringent low-cost food plan.

To translate the cost of food for a family into minimum costs for all family requirements, Orshansky (1) defined family size and composition prototypes for which food costs would be computed, (2) determined the amount of additional income needed for items other than food, and (3) related the cash needs of farm families to those of comparable nonfarm families.

Because income requirements are related to the number of people in a family, food costs were estimated separately for nonfarm families varying in size from two members to seven or more. Families were further classified by the head's gender and the number of related members under age 18. This was done because of Orshansky's special interest in the economic status of families with children. Two-person families were classified based on the age of the head (under or over 65).[1]

Engel's Law, which states that the proportion of income allocated to necessary items and in particular to food, is an indicator of economic well-being,[2] was used by Orshansky to estimate minimum necessary expenditures for all items. She assumed that equivalent levels of well-being were reached by families (of three or more people) only when the proportion of income they required to purchase an adequate diet was the same.

The Agriculture Department's 1955 Household Food Consumption Survey was used to determine the proportion of total income that should be assumed to be spent for food. The survey found that food consumed both inside and outside the home cost about one-third of a family's average money income after taxes. The percentage spent on food was assumed to be the same for families regardless of income.

Orshansky then applied food costs to total expenditures by considering a hypothetical average (middle income) family, spending one-third of its income on food, who must cut back on expenditures. She assumed that the family would be able to cut back its food and nonfood expenditures at the same rate. When the family had reached the point where the food expenditures equaled the cost of the economy (or low-cost) food plan for a family of that size, the family would have reached a point at which its food expenditures were minimal but adequate, assuming that "the housewife will be a careful shopper, a skillful cook, and a good manager who will prepare all the family's meals at home." Therefore, because the family's food expenditures would still be one-third of its total expenditures (for families of three or more),[3] the poverty threshold for a family of a particular size and composition was set at three times the cost of the economy or low-cost food plan for such a family. The factor of three by which the food cost plan was multiplied became known as the multiplier.

For unrelated individuals (one-person units), no multiplier was used to determine poverty thresholds. Poverty thresholds based on the low-cost food plan were set at 72 percent of that for two-person families. The poverty threshold at the economy level, which is still used today, was set at 80 percent of the corresponding threshold for two-person families. At this level, separate thresholds were developed for male elderly, male nonelderly, female elderly, and female nonelderly unrelated individuals. The procedure for setting both the 72 and 80 percent thresholds was based on the premise that the lower the income, the more difficult it would be for one person to cut expenses, such as housing and utilities, below the minimum expenses for a couple.

A distinction was made between farm and nonfarm families for two reasons. First, the 1955 Household Food Consumption Survey found that 40 percent of the food consumed by farm families came from their own farm or garden. In addition, farm families could count food as well as housing as part of the farm operation, thus reducing the amount of total money income. Because of these two factors, farm poverty thresholds were originally set at 60 percent[4] of the corresponding nonfarm thresholds. It is important to note that the farm/nonfarm distinction is not the same as a rural/urban or nonmetropolitan/metropolitan distinction. Nonfarm poverty thresholds were applied to the rural nonfarm as well as the urban population.

At the conclusion of her work, Orshansky had calculated 248 detailed poverty thresholds. There were 124 family households at each of the two cost levels (economy and low-cost), half for nonfarm families and half for farm families.

[1]The resulting lower poverty thresholds for families with heads age 65 or older reflected the fact that food plans for elderly families were lower than those for nonelderly families.

[2]This law was developed by German Statistician Ernst Engel (1821-96). A more precise statement of the law is: "the poorer a family is, the greater is the proportion of the total outgo which must be used for food....The proportion of the outgo used for food, other things being equal, is the best measure of the material standard of living of a population."

[3]Different procedures were used to calculate poverty thresholds for one- and two-person units to allow for the relatively larger fixed costs that small family units face.

[4]This figure was changed to 70 percent in 1965; to 85 percent in 1969; and to 100 percent in 1981.

The 1969 Revision

In 1968, the Social Security Administration tentatively decided to adjust the poverty thresholds by using data from the 1965 Household Food Consumption Survey rather than the 1955 survey. This decision was based on concerns that prices in general (as measured by the Consumer Price Index) had been rising more rapidly than the food prices that were being used to adjust the poverty thresholds for inflation each year. Use of the 1965 survey and subsequent revision of the economy food plan would have caused thresholds for the economy plan to be raised 8 percent and for the low-cost plan, 4 percent.

However, the Social Security Administration was overruled in its decision to revise the poverty thresholds, and an interagency Poverty Level Review Committee was selected to "develop concepts and technical information required to re-evaluate the poverty thresholds for future use." In addition, the decision was made that although the Census Bureau would be responsible for publishing poverty statistics, no agency would be given primary responsibility for maintaining the definition of poverty and conducting research on related issues.

The Committee decided to base the annual adjustment in the poverty thresholds on the annual change in the Consumer Price Index. This replaced the previous adjustment based on the annual change in the per capita cost of foods in the economy food plan. Nonfarm poverty thresholds for the base year 1963 were retained and the new annual-adjustment and farm/nonfarm provisions were applied to yield revised poverty thresholds for 1959 and subsequent years. Because of these revisions, poverty statistics dated before August 1969 are not comparable to current poverty statistics.

In August 1969, a memorandum was issued directing all Federal Executive Branch agencies to use the revised-definition poverty statistics and thresholds for statistical purposes. This action made the Orshansky thresholds (revised-definition) the Federal Government's official statistical poverty thresholds.

The 1970's Studies

In 1973, the Federal Interagency Technical Committee on Poverty Statistics conducted a thorough review of Federal income and poverty statistics. The committee made several recommendations; however, no changes were made in the poverty definition as a result of the review. In 1974, a second committee, under the leadership of the Department of Health, Education, and Welfare, began a review of the current measure of poverty and the implications of various alternative measurement schemes. The final report of the committee did not recommend specific changes to be made in the current poverty measure.

In 1978, the Consumer Price Index for All Urban Consumers (CPI-U) was introduced in addition to the existing Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W). Since 1979, the CPI-U has been used to update the poverty thresholds for inflation each year.

The 1981 Revision

In 1979, the Justice Department's Task Force on Sex Discrimination found that the current poverty thresholds discriminated against women because the poverty thresholds for male-headed families were higher than those for female-headed families of the same size and composition. Although the male-headed/female-headed distinctions had never been used in setting the poverty guidelines, there was concern that use of separate male and female thresholds may affect program evaluation. The Interagency Committee on Income and Wealth Distribution Statistics investigated and recommended elimination of the male-headed/female-headed distinction, as well as elimination of the farm/nonfarm distinction and changing the largest family size category to "nine persons or more" as opposed to the current "seven persons or more." These changes were approved in 1981 and reduced the number of detailed poverty thresholds to 48.

Subsequent Developments

The debate about poverty measurement continued during the 1980's. One of the most controversial proposals would count government noncash benefits as income for measuring poverty without making corresponding changes in the poverty thresholds. However, the poverty thresholds were not subjected to committee review, and no changes were made in the official poverty definition.

In 1992, at the request of Congress, the Committee on National Statistics of the National Academy of Sciences convened a panel of academic experts to examine statistical issues involved in measurement and understanding of poverty. The panel is not responsible for setting a new poverty threshold or evaluating specific programs. The panel will issue a report by summer 1994.

Source: Fisher, G.M., 1992, The development and history of the poverty thresholds, *Social Security Bulletin* 55(4):3-14.

Work and Family: Women in Their Forties

This report examines the labor market participation and marital status of women in their forties using data from the National Longitudinal Survey of Mature Women. The Survey used interviews to track the experiences of women as they aged from 40 to 49 during the 1967-86 period. All women were born between 1927 and 1936. These data provide an opportunity to look at labor force participation of women in their forties over time.

Weeks Worked

Women in this study averaged 289 weeks of work over the 10-year period. In comparison, an individual working a "full year" over this period would have averaged 480-520 weeks of work. One in four women worked 480 weeks or more; one in seven did not work at all during the 10-year period.

White women were much less likely to have worked full time or for the full year during their forties than women from other races. College education was directly related to the number of weeks worked during the year. College-educated women worked more weeks than women with high school diplomas, and women with high school diplomas worked more weeks than women who had not completed high school.

Labor Force Participation

Labor force participation of women at age 40 and 49 was also used to measure labor-force attachment. About 26 percent of women who were in the labor force at age 40 were out at age 49, and about 41 percent who were out at age 40 were in at age 49. About two-thirds of the women were in the same labor force status at both ages: 38 percent were in the labor force and 29 percent were out (table 1). About one-third of the women changed their labor force participation status during their forties: 13 percent of women who were in the labor force at age 40 were not at age 49, and 20 percent of women who were out at age 40 were in at age 49.

There were significant labor force participation transitions according to race. Non-white women were more likely than white women to be in the labor force both at age 40 and age 49. Non-white women were also more likely than white women to move from labor force participation status at age 40 to non-participation status at age 49. In addition, they were much less likely than white women to move into the labor force at age 49 if they had not been in at age 40.

Education also plays a role in the labor force participation of women during their forties. Women with a college education were more likely than women with high school diplomas or women who had not completed high school to be in the labor force both at age 40 and age 49. Forty-six percent of women with a college education participated in the work force at age 40 and 49. In contrast, one-third of women without high school diplomas were in the labor force at both ages. Additionally, one-third of women without high school diplomas were out of the labor force at both ages—which is the highest proportion of any educational group.

Table 1. Labor force participation status of women at age 40 and age 49 during the 1967-86 period

Category	Labor force participation status transition			
	In at 40 In at 49	In at 40 Out at 49	Out at 40 In at 49	Out at 40 Out at 49
	Percent			
Total	38.3	13.4	19.8	28.5
Race				
White	37.3	12.7	21.1	28.9
Other	45.7	18.9	10.1	25.3
Education				
Less than high school	32.7	20.2	13.8	33.3
High school graduate	39.7	10.8	22.7	26.8
Some college	41.1	8.5	22.8	27.6
College graduate	45.8	10.0	21.5	22.7
Birth year				
1927-28	35.5	12.5	21.0	31.0
1929-30	34.2	12.3	22.2	31.3
1931-32	38.9	13.9	19.1	28.1
1933-34	43.4	13.5	18.0	25.1
1935-36	40.3	15.0	18.3	26.4

Source: U.S.Department of Labor, Bureau of Labor Statistics, 1993, Work and Family: Women in Their Forties, Report 843.

Table 2. Marital status of women at age 40 and age 49 during the 1967-86 period

Category	Marital status transition			
	Married at 40 Married at 49	Married at 40 Single at 49	Single at 40 Married at 49	Single at 40 Single at 49
	Percent			
Total	72.2	10.2	3.9	13.9
Race				
White	75.7	9.7	3.5	11.1
Other	45.9	12.5	7.0	34.6
Education				
Less than high school	65.3	10.9	4.7	19.1
High school graduate	76.8	9.5	3.9	9.8
Some college	69.3	12.0	2.9	15.8
College graduate	74.4	7.9	2.5	15.2
Birth year				
1927-28	74.4	10.4	3.5	11.7
1929-30	73.4	8.9	3.4	14.3
1931-32	71.5	9.7	3.4	15.4
1933-34	71.4	11.4	5.5	11.7
1935-36	69.9	9.7	3.9	16.5

Source: U.S.Department of Labor, Bureau of Labor Statistics, 1993, Work and Family: Women in Their Forties, Report 843.

Marital Status Transitions

The majority (72 percent) of women were married both at age 40 and age 49. Fourteen percent were single at both ages, 10 percent were married at age 40 but single at age 49, and 4 percent were single at age 40 but married at age 49 (table 2).

There were considerable differences in marital status transitions by race. White women were much more likely to be married than women from other races. More than three-fourths of white women were married at ages 40 and 49, compared with less than half of non-white women. Non-white women were also more likely to be single at both ages and to have changed marital status between age 40 and age 49.

Women who were born at later years were slightly less likely to be married at both ages than those born in earlier years. More than 74 percent of women born in 1927 and 1928 were married at age 40 and age 49, whereas about 70 percent of women born in 1935 and 1936 were married at both these ages.

Source: U.S. Department of Labor, Bureau of Labor Statistics, 1993, *Work and Family: Women in Their Forties*, Report 843.

Per Capita Food Spending Trends Upward

From 1986 to 1990, food spending in the United States rose 25 percent, keeping pace with the 25-percent increase in after-tax household income. Consequently, the 15-percent share of after-tax household income allocated to food did not change.

Spending rose faster for some food categories than for others, however. Whereas spending for cereals and bakery products jumped 34 percent, beef and pork spending increased 15 and 14 percent, respectively.

Lower income households spent less than wealthier households on most all food items (table 1). In 1990, the lowest income households spent $894 per person on food at home and $440 on food away from home, while the wealthiest households spent $1,097 per person on food at home and $1,131 on food away from home.

For all household income groups except the richest, spending for food at home increased faster than spending for food away from home. This was especially true for the two lowest income groups. Spending for food at home rose 22 percent faster than spending for food away from home in the poorest households and 6 percent faster in the next poorest group. Conversely, in the richest households, spending on food away from home grew 39 percent faster than spending for food at home.

Between 1986 and 1990, after-tax income for black households rose faster than for white households, 31 percent versus 24 percent. Black households also increased their food purchases at a faster rate, 30 percent compared with 25 percent for white households.

Black households, however, spent much less per capita on food than did white households. In 1990, blacks spent $1,159 per capita and whites spent $1,775. The fact that white households ate out more often and earned higher average incomes ($29,981 versus $20,599) may partially explain this difference (table 2).

The increase in food spending varied by commodity for black and white households. For example, black households increased their per capita spending on fruit and vegetables by 38 percent between 1986 and 1990, while the increase for white households was 27 percent. Spending on food away from home also rose faster for blacks than whites, 33 percent versus 24 percent.

Table 1. Food spending by income group, 1986 and 1990

Item	1986				1990			
	All	Poorest 20 percent	Middle 20 percent	Richest 20 percent	All	Poorest 20 percent	Middle 20 percent	Richest 20 percent
	Dollars per person							
Food expenditures	1,326	993	1,251	1,829	1,652	1,334	1,484	2,227
Food at home	767	654	753	928	956	894	895	1,097
Cereals and bakery products	106	96	104	129	142	129	130	168
Meat, poultry, fish, and eggs	216	194	212	248	257	261	245	276
Dairy products	97	79	95	115	113	107	112	125
Fruit and vegetables	123	110	118	150	157	151	145	183
Other food at home	213	168	215	266	287	246	264	345
Food away from home	560	338	498	902	697	440	590	1,131
Alcoholic beverages	104	72	104	153	113	71	108	173

Source: Blaylock, J.R. and Smallwood, D.M., 1992, Per capita food spending up 25 percent in 4 years, FoodReview 15(2):7-11.

Table 2. Food spending by race, 1986 and 1990

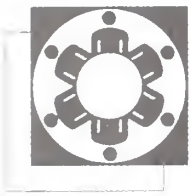
Item	1986		1990	
	White	Black	White	Black
	Dollars per household			
Income before taxes	26,505	16,964	33,070	22,461
Income after taxes	24,094	15,678	29,981	20,599
	Number			
Average number of people in household	2.5	2.8	2.5	2.7
	Dollars per person			
Food expenditures	1,425	893	1,775	1,159
Food at home	810	615	1,011	788
Cereals and bakery products	112	83	151	107
Meats, poultry, fish, eggs	220	234	264	270
Dairy products	105	57	123	73
Fruit and vegetables	130	98	165	135
Other food at home	230	140	308	203
Food away from home	615	278	764	371
Alcoholic beverages	115	46	124	60

Source: Blaylock, J.R. and Smallwood, D.M., 1992, Per capita food spending up 25 percent in 4 years, FoodReview 15(2):7-11.

Per capita food spending declined as household size increased. Although larger households had a much larger total food bill, household spending did not increase with household size because larger households buy more food in bulk, have more children (who eat smaller portions), and eat fewer meals away from home.

Urban households spend more per capita on food than rural households, $1,728 versus $1,536. This may be attributed to higher incomes, greater spending on food away from home, and lower levels of home food production.

Source: Blaylock, J.R. and Smallwood, D.M., 1992, Per capita food spending up 25 percent in 4 years, *FoodReview* 15(2):7-11.



Recent Legislation Affecting Families

Public Law 103-24 (enacted April 23, 1993)—Supplemental Appropriations provide $4 billion for extended unemployment benefits. These benefits would have run out by the end of April 1993 for an estimated 1.8 million Americans. An additional $12 billion in "economic stimulus," proposed by the President for a variety of education, training, and jobs programs and for projects to improve the Nation's buildings, roads, and bridges, was not approved.

Public Law 103-31 (enacted May 20, 1993)—the Voter Registration Act, known as the "motor voter" law, requires States to allow citizens to register to vote when they apply for or renew driver's licenses or other public certificates. The law, which will go into effect in 1995, also requires States to provide registration through the mail and at certain State offices that assist the disabled and distribute welfare checks. Agencies must inform applicants that registration is optional and that not registering will not affect the level of their benefits. Also, agency employees cannot pressure applicants into registering for a particular party. States should be able to add an estimated 49 million or more people to voter registration rolls, based on numbers of voting-age citizens who are not registered to vote but who have State-issued driver's licenses or identification cards.

Public Law 103-43 (enacted June 10, 1993)—the National Institutes of Health Revitalization Act of 1993 provides 3 years of funding for the National Institutes of Health (NIH). In fiscal 1994, $6.2 billion is designated for the National Cancer Institute; the National Heart, Lung and Blood Institute; and the National Institute on Aging. Of that amount, $400 million has been authorized for research on breast and ovarian cancers. The law requires NIH to include significant numbers of women and minorities in clinical trials of new medical treatments and establishes a separate office on women's health research. The act also codifies the President's Executive order lifting the ban on research using fetal tissue from elective abortions and establishes a permanent immigration ban on foreigners infected with HIV, the AIDS virus. The ban means that foreigners seeking permanent residence in the United States are tested for the AIDS virus and excluded if they test positive.

Data Sources

1976-1987 National Survey of Children

Sponsoring agency: Foundation for Child Development and National Institute of Mental Health, U.S. Department of Health and Human Services

Population covered: Children ages 7-11 in 1976

Sample size: Wave 1—2,301, Wave 2—1,427, Wave 3—1,146

Geographic distribution: Coterminous United States

Years data collected: Wave 1—1976, Wave 2—1981, Wave 3—1987

Method of data collection: Personal and telephone interviews with the child and the parent most capable of providing information about the child; self-administered questionnaires were completed by the child's teacher on child's academic performance.

Future surveys planned: No

Major variables: Physical, social, and psychological well-being; education, work, marital, and child-bearing patterns; and dating, delinquent, sexual and contraceptive behavior.

Sources for further information and data:

Data tapes are available from:
Sociometrics Corporation
170 State Street, Suite 260
Los Altos, CA 94022-2812
(415) 949-3282

Child Trends, Inc.
2100 M Street, NW, Suite 610
Washington, DC 20037
(202) 223-6288

National Longitudinal Survey of Youth (NLSY)

Sponsoring agency: U.S. Department of Labor

Population covered: Noninstitutionalized civilian youth who were ages 14-21 and military youth who were ages 17-21 as of January 1, 1979.

Sample size: The sample size was 12,686 when the study began in 1979. The size of the 1992 sample was 9,018. Originally, civilian Hispanic, Black, and economically disadvantaged White youth were oversampled. However, beginning with the 1991 survey, economically disadvantaged White respondents from the supplemental sample were no longer interviewed.

Geographic distribution: Nationwide

Years data collected: The civilian sample was interviewed yearly from 1979 to 1992. The military youth were interviewed yearly from 1979 to 1984. Since 1984, 201 youth from the military sample have been randomly selected for interview each year.

Method of data collection: Personal interview except for 1987 when interviews were conducted by telephone.

Future surveys planned: Ongoing

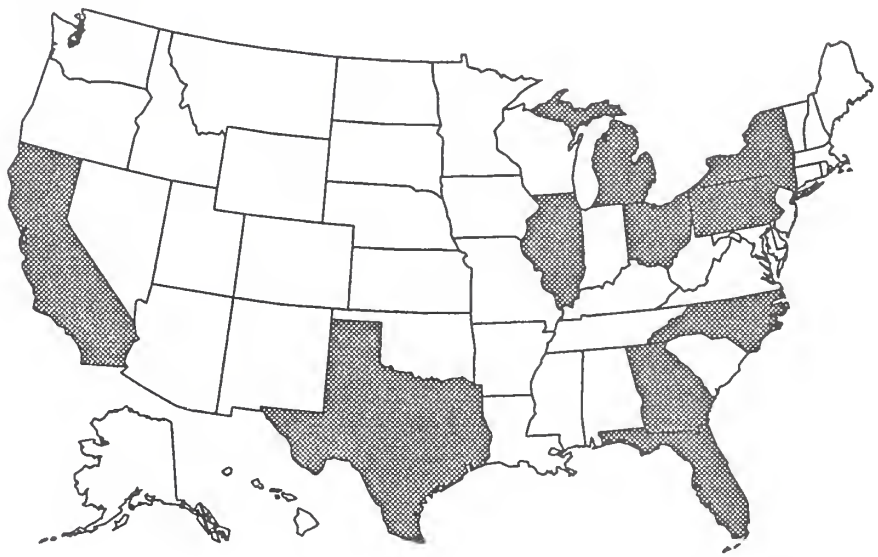
Major variables: Marital history, educational status and attainment, current labor force status, jobs and employer information, gaps in employment, training, work experience, military service, health limitations, fertility, income and assets, household composition, and geographic residence. In addition, NLSY respondents have participated in several special surveys. In 1986, 1988, 1990, and 1992, a battery of cognitive, socioemotional, and physiological assessments was administered to children of female NLSY respondents.

Sources for further information and data:

Center for Human Resource Research
User Services
921 Chatham Lane, Suite 200
Columbus, OH 43221-2418
Phone: (614) 442-7300
Fax: (614) 442-7329
Bitnet: Usersvc@ohsthr

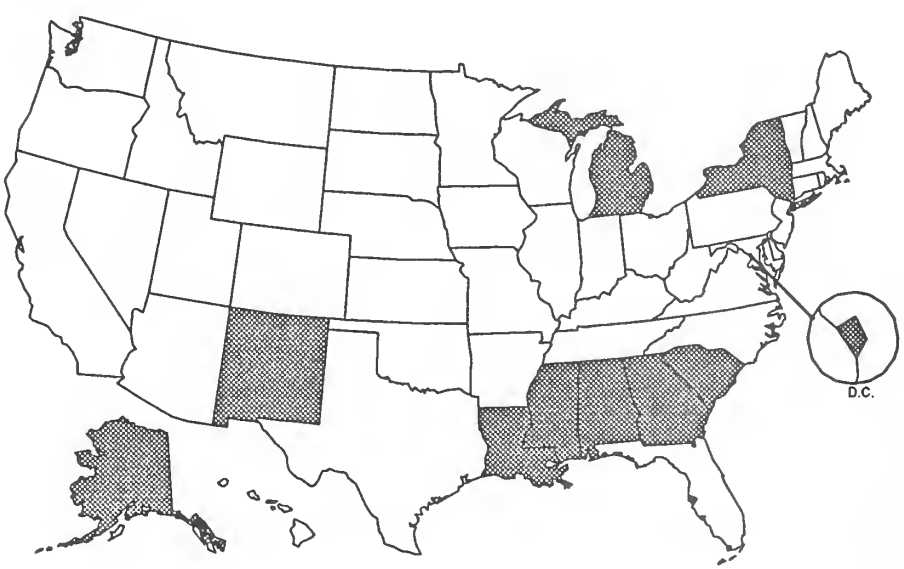
Charts From Federal Data Sources

States with the 10 highest numbers of female-headed households,[1] 1990



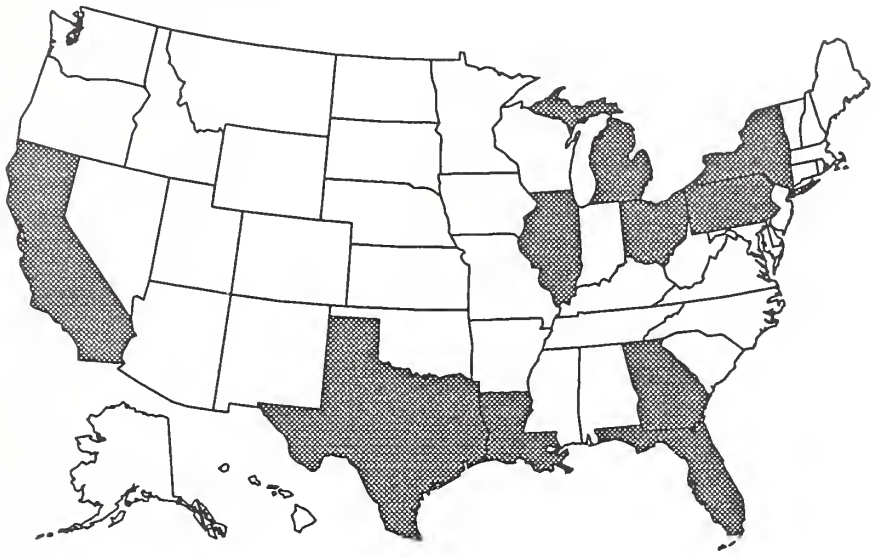
[1]No husband present, with related children under 18.
Source: U.S. Department of Commerce, Bureau of the Census.

States with the 10 highest percentages of female-headed households,[1] 1990



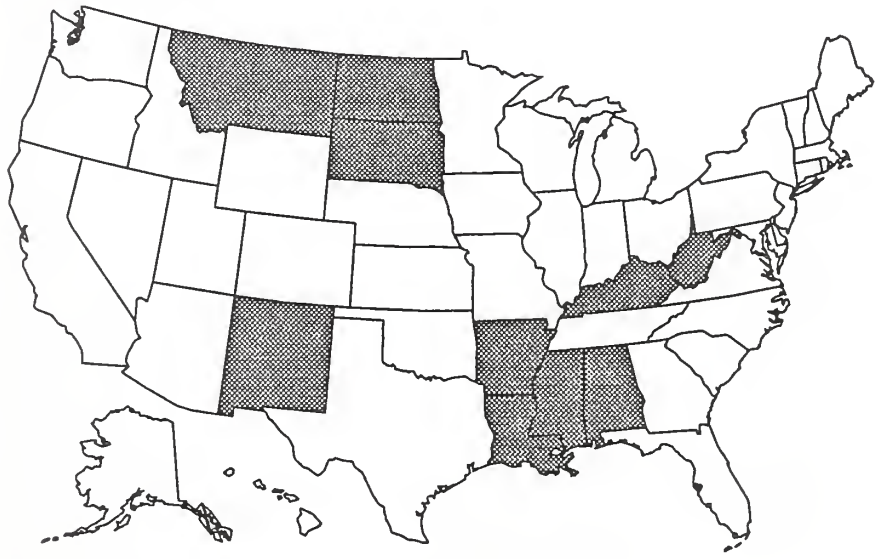
[1]No husband present, with related children under 18.
Source: U.S. Department of Commerce, Bureau of the Census.

States with the 10 highest numbers of female-headed households[1] in poverty, 1990



[1]No husband present, with related children under 18.
Source: U.S. Department of Commerce, Bureau of the Census.

States with the 10 highest percentages of female-headed households in poverty,[1] 1990



[1]No husband present, with related children under 18.
Source: U.S. Department of Commerce, Bureau of the Census.

Journal Abstracts and Book Summary

The following abstracts are reprinted verbatim as they appear in the cited source.

Moss, M.S., Lawton, M.P., Kleban, M.H., and Duhamel, L. 1993. Time use of caregivers of impaired elders before and after institutionalization. ***Journal of Gerontology: Social Sciences*** **48(*3*):S102-S111.**

Time use was examined by means of time budgets obtained from 165 caregivers of older persons recruited from nursing home waiting lists and state nursing home assessment programs. "Yesterday interviews" were done at baseline (T1) and, again, an average of 5 months later when the elder had either entered a nursing home (n = 77) or was still awaiting entry (n = 88). Caregivers who provided more help (particularly instrumental assistance) to their elder were more likely to see that person placed in a nursing home at follow-up. More caregiving time was reported by those living with the elderly person and by nonworking and lower income caregivers; the elders being cared for by these groups were also more impaired. Less caregiving time (a total gain of 1 hour 47 minutes) was reported by caregivers following admission of the older person to the nursing home. The gained time was allocated to a significant degree to family interaction, recreation, and time outside the home.

Oropesa, R.S. 1993. Female labor force participation and time-saving household technology: A case study of the microwave from 1978 to 1989. ***Journal of Consumer Research*** **19(*4*):567-579.**

American households are facing severe time constraints as women increase their participation in the wage economy. The implications of this situation for the adoption of time-saving technology in the home are not well understood. Previous research suggests several scenarios regarding the consequences of female labor force participation for the purchase of time-saving technology: (1) there may be no effect, (2) female labor force participation may have a direct effect, (3) female labor force participation may have an indirect effect through income, or (4) direct effects emerge over time. This article evaluates these hypotheses with a case study of the microwave oven, through proprietary cross-sectional surveys of married-couple households conducted from 1978 to 1989.

Purnell, M. and Bagby, B.H. 1993. Grandparents' rights: Implications for family specialists. ***Family Relations*** **42(*2*):173-178.**

Recently every state in the U.S. has passed laws giving grandparents the right to petition the courts for the privilege of visiting their grandchildren. Family specialists need to understand the nature of grandparents' rights laws because these laws affect their duties. Research findings and expert witness testimonies of family specialists should be included in court proceedings determining children's best interests. Such findings can influence future use of and amendments to grandparents' rights laws.

Boss, P.G., Doherty, W.J., LaRossa, R., Schumm, W.R., and Steinmetz, S.K., editors. 1993. ***Sourcebook of Family Theories and Methods: A Contextual Approach.*** **Plenum Press, New York.**

The development of family theory is presented—from its beginnings in religion and philosophy, through the theory construction and methodology of the mid-20th century, to the newly emerging models of the late 20th century. Each theory and method is placed in the sociohistorical context that influenced its formulation. Some personal or biographical information is included on the various theorists and methodologists. The emphasis, however, is on family theories and research methods—and the relationship between the two. Methods chapters illustrate how methods interact with family theories (and vice versa), and theory chapters describe research methods that are most often identified with that theory.

The Sourcebook's 27 chapters are divided into 7 parts, organized to reflect the emergence of different family theories and methods during the 20th century. Many chapters have a separate application section where authors discuss the implications of the theories for helping today's families cope with problems and enhance the quality of their lives. Authors of theory chapters explain how the theories accommodate differences in age, ethnicity, race, and gender. There are 73 contributing authors, including family therapists, family life educators, policy experts, social workers, and health care professionals.

Cost of Food at Home

Cost of food at home estimated for food plans at four cost levels, August 1993, U.S. average[1]

Sex–age group	Cost for 1 week				Cost for 1 month			
	Thrifty plan	Low-cost plan	Moderate-cost plan	Liberal plan	Thrifty plan	Low-cost plan	Moderate-cost plan	Liberal plan
FAMILIES								
Family of 2:[2]								
20 - 50 years	$50.60	$63.70	$78.40	$97.20	$219.30	$276.10	$339.50	$421.30
51 years and over	47.90	61.20	75.10	89.90	207.60	264.90	325.60	389.20
Family of 4:								
Couple, 20 - 50 years and children—								
1 - 2 and 3 - 5 years	73.80	91.90	112.10	137.40	320.10	398.30	485.40	595.50
6 - 8 and 9 - 11 years	84.60	108.00	134.80	162.00	366.40	468.10	584.00	702.20
INDIVIDUALS[3]								
Child:								
1 - 2 years	13.40	16.30	19.00	22.90	58.20	70.50	82.30	99.40
3 - 5 years	14.40	17.70	21.80	26.10	62.50	76.80	94.50	113.10
6 - 8 years	17.60	23.40	29.30	34.10	76.20	101.60	127.10	147.90
9 - 11 years	21.00	26.70	34.20	39.50	90.80	115.50	148.30	171.30
Male:								
12 - 14 years	21.70	30.20	37.60	44.20	94.20	130.90	163.00	191.40
15 - 19 years	22.60	31.20	38.70	44.90	97.90	135.20	167.90	194.50
20 - 50 years	24.20	30.90	38.50	46.50	104.80	133.80	166.60	201.60
51 years and over	21.90	29.30	36.00	43.10	95.10	126.90	155.90	186.60
Female:								
12 - 19 years	22.00	26.10	31.60	38.20	95.10	113.10	137.10	165.50
20 - 50 years	21.80	27.00	32.80	41.90	94.60	117.20	142.00	181.40
51 years and over	21.60	26.30	32.30	38.60	93.60	113.90	140.10	167.20

[1]Assumes that food for all meals and snacks is purchased at the store and prepared at home. Estimates for the thrifty food plan were computed from quantities of foods published in *Family Economics Review* 1984(*1*). Estimates for the other plans were computed from quantities of foods published in *Family Economics Review* 1983(*2*). The costs of the food plans are estimated by updating prices paid by households surveyed in 1977–78 in USDA's Nationwide Food Consumption Survey. USDA updates these survey prices using information from the Bureau of Labor Statistics, *CPI Detailed Report*, table 4, to estimate the costs for the food plans.

[2]Ten percent added for family size adjustment. See footnote 3.

[3]The costs given are for individuals in 4-person families. For individuals in other size families, the following adjustments are suggested: 1-person—add 20 percent; 2-person—add 10 percent; 3-person—add 5 percent; 5- or 6-person—subtract 5 percent; 7- or more-person—subtract 10 percent.

Consumer Prices

Consumer Price Index for all urban consumers [1982-84 = 100]

Group	Unadjusted indexes			
	August 1993	June 1993	July 1993	August 1992
All items	144.8	144.4	144.4	140.9
Food	140.8	140.4	140.3	138.0
Food at home	139.7	139.3	139.1	136.9
Food away from home	143.6	143.2	143.4	141.0
Housing	142.3	141.5	141.9	138.6
Shelter	156.8	155.7	156.3	152.3
Renters' costs[1]	167.3	165.2	166.8	163.5
Homeowners' costs[1]	160.8	160.1	160.3	155.8
Household insurance[1]	148.0	146.6	147.4	142.9
Maintenance and repairs	131.6	131.2	131.3	128.1
Maintenance and repair services	136.5	136.0	136.2	133.1
Maintenance and repair commodities	124.9	124.8	124.7	121.3
Fuel and other utilities	123.3	122.9	123.2	119.4
Fuel oil and other household fuel commodities	87.8	90.4	89.1	89.7
Gas (piped) and electricity	122.2	122.0	122.2	117.5
Household furnishings and operation	119.2	119.1	118.8	118.3
Housefurnishings	109.5	109.1	109.0	109.0
Housekeeping supplies	129.2	131.3	129.7	130.1
Housekeeping services	136.5	135.6	135.8	133.0
Apparel and upkeep	131.9	131.9	129.4	130.2
Apparel commodities	129.0	129.1	126.4	127.6
Men's and boys' apparel	126.0	126.5	124.9	124.1
Women's and girls' apparel	130.0	129.1	125.0	127.5
Infants' and toddlers' apparel	128.4	128.1	126.7	128.8
Footwear	123.5	125.6	123.9	124.9
Apparel services	152.0	151.3	151.7	148.6
Transportation	130.2	130.3	130.3	126.9
Private transportation	127.3	127.6	127.4	125.4
New vehicles	132.2	132.2	132.2	128.5
Used cars	137.5	134.3	136.1	126.4
Motor fuel	97.0	99.8	98.1	101.7
Automobile maintenance and repair	146.2	145.8	146.2	141.6
Other private transportation	156.4	155.8	156.0	153.1
Other private transportation commodities	102.7	102.9	102.9	104.6
Other private transportation services	168.7	167.9	168.2	164.1
Public transportation	168.1	164.5	167.7	146.7
Medical care	202.9	201.1	202.2	191.5
Medical care commodities	196.1	194.7	195.7	188.9
Medical care services	204.5	202.6	203.8	192.2
Professional medical services	185.9	184.8	185.4	177.1
Entertainment	145.8	145.5	145.3	142.6
Entertainment commodities	133.3	133.2	133.1	131.6
Entertainment services	160.9	160.4	160.2	156.2
Other goods and services	193.4	193.1	193.7	183.9
Personal care	142.0	141.1	142.0	138.7
Toilet goods and personal care appliances	139.8	139.0	140.0	137.3
Personal care services	144.3	143.3	144.0	140.1
Personal and educational expenses	211.6	208.3	209.1	197.7
School books and supplies	199.9	196.4	196.4	189.7
Personal and educational services	212.7	209.4	210.2	198.6

[1]Indexes on a December 1982 = 100 base.

Source: U.S. Department of Labor, Bureau of Labor Statistics.

The Family Economics Research Group and the Family Economics Review gratefully acknowledge the reviewers of manuscripts for 1993 issues.

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